

May 7, 1975

\$352 million, which may be tight but it would be adequate. There's no question in my mind that the 12 percent would work.

SENATOR BARNETT: Thank you.

SPEAKER: Senator Marvel, are you ready to respond to Senator Carsten's at this time?

SENATOR MARVEL: I'll try. I'd like to answer your question Senator Carsten without using your time. I'd also like to make a point that, in answer to what's been said and see what kind of reaction I get. It appears to me that all we really need to do until the State Board of Equalization meets, is to be certain that there's enough money in the pot to take care of cash flow. We're trying to worry about balances here for the next fiscal year, when in effect what we're really trying to do, and the only thing we really need to worry about at the moment, are balances in cash flow for this fiscal year. We're not setting next years rate. That's where I think we get off. If I'm wrong, I'd like to have somebody correct me. In answer to your question. The \$352 million that was shown in the report that you and I put out, and I'm rounding off these figures. Do you have those figures? OK. That did not include the \$9 million deficiency and did not include about \$2 million more that's been passed since then. Roughly, as I understand Senator Carsten, in your figures plus expenditures we are now talking about, at the moment, exclusive of the emergency bill that was introduced this morning, we're talking about \$365 million. That includes \$9 million deficiency. That includes A bills up to date. That includes all of the Appropriation Committee decisions. That 365 is compared with your report at 12 percent which shows roughly with 123 at 30 percent, is about \$361 million. One other point. With a \$20 million balance in the general fund that will roughly counteract the five percent that needs to be put up and put us about at a par. We're about a dead heat at the moment without spending anymore money. Let me repeat that when we met with the Tax Commissioner that time he was talking about a cash flow problem some time between October and February. That cash flow problem is net with a 12 percent income tax, as far as I'm concerned. Then the State Board of Equalization, meeting in November, will then determine whether any additional money or income tax is needed or not. This discussion that we have indicates why we should never, at this early date, turn the tax setting polity up to the Legislature. We should leave it in the hands of the State Board of Equalization, which meets in November.

SENATOR CARSTEN: Mr. President, may I ask another question? Senator Marvel, this does not include any A bills pending, as I understand now what you just said, which includes the 368 or the 15 million state aid to education? Is this correct?